procured by the Government agencies for which they will be entitled for storage charges. They will also be encouraged for the development of infrastructure for the integrated bulk handling storage and transportation of foodgrains.

(c) The interest of the consumers would be safeguarded so far as the quality of foodgrains is concerned. The foodgrains would be stored in scientific manner and all quality control measures would be adopted during storage and handling of foodgrains.

(d) Does not arise.

Leasing out godowns of FCI

2065. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government are considering a proposal of leasing out godowns of FCI;

(b) if so, what are the details of the proposal; and

(c) by when the decision is likely to be taken;

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SRIRAM CHAUHAN): (a) No, Sir.

(b) and (c) Do not arise.

Short term loans to sugar mills

2066. SHRI LAJPAT RAI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that short term loans to the sugar mills for cane development was introduced in the year 1997;

(b) whether there were any pre-conditions for sanction/ disbursement of such loans;

(c) how long did this scheme remain operative and how many sugar mills were provided these loans;

(d) what was the amount sanctioned/disbursed to each mill; and

(e) what were the courses of withdrawing the short-term loan scheme after almost four months of its introduction?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) Yes, Sir. A provision for giving loans repayable in four half yearly instalments without any moratorim, for providing inputs for sugarcane development was introduced in the Sugar Development Fund Rules on 21st November, 1997.

(b) The sanction of the loan is subject to fulfillment of the following:

(i) The loan is available only for the following purposes: (1) purchase of seeds (2) purchase of fertilizer (3) purchase of pesticide.

(ii) An application for the loan in Form III-A under Rule 17 A (2) of the Sugar Development Fund Rules, 1983 should be made to the Committee constituted under Section 6 of the Sugar Development Fund Act, 1982.

(iii) The sanctioned loan should be passed on to the sugarcane growers in the command area of the mill under a scheme formulated by the mill. The terms and conditions of the loan specified by the Central Government and applicable to the mills must apply to the beneficiary sugarcane farmers without modification.

(iv) The sugar undertaking should contribute a minimum of 10% of the loan applied for from its own resources as margin money. Before disbursal of the loan the following were to be fulfilled:

(1) Execution of a bipartite agreement between the sugar unit and Central Government on terms and conditions as the Central Government may decide including provisions for monitoring, by a Committee with representatives of Indian Sugar Mills Association, National Federation of Cooperative Sugar Factories Ltd., the concerned sugar mill, local State Government functionary and representatives of the sugarcane growers, of the utilisation of the

loan, the progress of the scheme for which the loan is granted, repayment of the loan with interest thereon and remittance to the credit of the Fund.

(2) Proof of the requirement of the margin money having been deposited in a "no lien" account.

(3) Creation of security for the loan by way of bank guarantee/first charge failing which second charge/extended charge on the fixed assets of the sugar unit, the facility of charge being permissible upto sugar season 1998-99.

(4) All sums which have been become due to the Sugar Development Fund at the time of disbursement having been repaid.

(c) Provision for short term loans has been made by way of introduction of a rule in the SDF Rules, 1983 *viz.* Rule 17A which is still in force. The provision for allowing loans for providing inputs for sugarcane development was incorporated by way of an amendment as it was observed that sugar mills in several areas were finding it difficult to get adequate sugarcane and there was a marked trend of cultivators shifting to other crops. In order to facilitate the availing of the loan by sugar units the benefit of security on charge as mentioned in part (b) above was made acceptable for a limited period. Till date, 179 sugar units have availed of these loans.

(d) Mill-wise details are given in the Annexure. (*See* Appendix 190, Annexure No. 27)

(e) The provision of the SDF Rules, 1983 under which short term loan is allowed has not been withdrawn.

Poor quality rice supplied to Karnataka

2067. SHRI K. C. KONDAIAH: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government are aware that poor quality rice was supplied to Karnataka by Food Corporation of India through the Public Distribution System;

(b) if so, whether the Karnataka Government had returned the poor quality rice;